

Audit of USAID-Financed Human Rights Activities in Colombia

Audit Report No. 1-514-03-002-P

December 13, 2002

San Salvador, El Salvador



December 13, 2002

MEMORANDUM

FOR: USAID/Colombia Director, Kenneth C. Ellis

FROM: RIG/San Salvador, Timothy E. Cox

SUBJECT: Audit of USAID-Financed Human Rights Activities in Colombia
(Report No. 1-514-03-002-P)

This memorandum is our report on the subject audit.

Management's comments on the draft report were considered in preparing this report. They are included for your reference in Appendix II.

This report contains three recommendations. Management decisions have been made for the three recommendations. The Office of Management Planning and Innovation will make a determination of final action after the recommendations have been completely implemented.

Once again, I appreciate the cooperation and courtesy extended to my staff during the audit.

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Summary of Results

As part of its fiscal year 2002 audit plan, the Regional Inspector General/San Salvador performed this audit to determine 1) how USAID/Colombia funds have been spent under the human rights program, 2) if USAID/Colombia-financed human rights activities were on schedule to achieve planned outputs, and 3) whether it implemented a monitoring system for its activities in accordance with USAID policies (page 4).

As of June 30, 2002, USAID's implementing partner for human rights activities, Management Sciences for Development (MSD) had expended \$541,780 on prevention of human rights abuses, \$2,420,367 on protection of human rights workers, \$1,283,049 on programs to improve responses to human rights abuses, and \$1,826,286 on management costs (page 5).

Twenty-two of 30 activities we reviewed were on schedule to achieve planned outputs as of June 30, 2002. Of the eight activities that were not on schedule, four had not been started (page 5).

USAID/Colombia implemented a monitoring system for its human rights activities in accordance with USAID policies (page 11). However, the mission did not define data quality assessment procedures in its performance monitoring plan (page 12). Finally, an indicator to judge the effectiveness of the program's early warning system has not been developed (page 12).

USAID/Colombia agreed with the recommendations in this report, and management decisions have been made for the recommendations. The Office of Management Planning and Innovation will determine final action after the recommendations have been implemented (page 13).

Background

USAID/Colombia established its current strategic plan in May 2000 for FY 2000 - 2005. The strategic plan was written in anticipation of the "Plan Colombia" supplemental appropriation for \$119.5 million that was signed on July 13, 2000.

The strategic plan established the strategic objective to "promote more responsive, participatory, and accountable democracy." This objective includes human rights activities (the subject of this audit) as well as justice, decentralization, anti-corruption, and peace process activities. The focus of the human rights program is "enhanced and broadened respect for human rights." Objectives under the program include:

- Development and implementation of an early warning system to alert Colombian authorities of specific threats where the potential for human rights abuses is high.

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- Assistance to the human rights worker protection program managed by the Government of Colombia's Ministry of Interior. Under this program, threatened individuals can apply to the Ministry for financial assistance, airline tickets, or communications equipment. Threatened organizations can request security upgrades for their offices.
 - Implementation of activities designed to strengthen the ability of Colombian groups to respond to human rights abuses. By providing assistance to these organizations, USAID plans to strengthen the institutions involved in human rights activities, improve citizen awareness of human rights issues, strengthen human rights monitoring and case reporting, and provide human rights training.
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Audit Objectives

As part of its fiscal year 2002 audit plan, the Regional Inspector General/San Salvador performed this audit to answer the following questions:

- How have USAID/Colombia funds been spent under the human rights program?
- Were USAID/Colombia-financed human rights activities on schedule to achieve planned outputs?
- Did USAID/Colombia implement a monitoring system for its human rights activities in accordance with USAID policies?

The audit scope and methodology are presented in Appendix I.

Audit Findings

How have USAID/Colombia funds been spent under the human rights program?

On March 27, 2001, USAID/Colombia signed a five-year contract with Management Sciences for Development, Incorporated (MSD) to implement the activities under the human rights program. MSD is the sole implementer of the human rights program. The program funding details are as follows:

| <u>Activity Area</u> | <u>Amount</u> |
|-------------------------------------|---------------------|
| Prevention of Human Rights Abuses | \$3,999,063 |
| Protection of Human Rights Workers | 8,341,096 |
| Response to Human Rights Violations | 9,021,707 |
| Management Costs | 6,531,286 |
| Total | <u>\$27,893,152</u> |

According to MSD's June 30, 2002 invoice, MSD had invoiced USAID approximately \$6.1 million. The breakdown is as follows:

| | Amount |
|--|---------------------------|
| Prevention of Human Rights Abuses | |
| • Create an early warning system | \$348,641 |
| • Provide video equipment for the national strategy room | 193,139 |
| Subtotal | <u>541,780</u> |
| Protection of Human Rights Workers | |
| • Strengthen the Ministry of Interior | 71,423 |
| • Furnish armored and unarmored vehicles, financial assistance, airline tickets, and communications equipment to threatened individuals and security upgrades for vulnerable offices | 2,299,414 |
| • Monitoring and evaluation | 49,530 |
| Subtotal | <u>2,420,367</u> |
| Response to Human Rights Violations | |
| • Develop and implement human rights policies | 169,005 |
| • Improve the delivery of human rights services | 854,061 |
| • Provide human rights education | 153,323 |
| • Monitor human rights cases | 106,660 |
| Subtotal | <u>1,283,049</u> |
| Management Costs | <u>1,826,286</u> |
| Total | <u><u>\$6,071,482</u></u> |

Were USAID/Colombia-financed human rights activities on schedule to achieve planned outputs?

The majority of USAID/Colombia-financed human rights activities were on schedule; however, activities that have not started may limit the program's final effectiveness. Twenty-two of 30 activities we reviewed were on schedule to achieve planned outputs as of June 30, 2002. Of the eight activities that were not on schedule, four had not been started.

Activities were classified into three areas – 1) prevention of human rights abuses; 2) protection of human rights workers; and 3) response to human rights violations. The activities from each area are discussed in the sections that follow.

Prevention of Human Rights Abuses

The following activities related to preventing human rights abuses were on schedule:

- Develop the essential functions of an early warning system (EWS) and form the EWS team. This included developing a strategic plan and training EWS team members. To develop the essential functions of the EWS, the strategic plan was finalized in January 2002 as part of the work plan. Training was provided to EWS staff, regional ombudsmen, and municipal human rights workers to develop the role and function of the EWS.
- Establish sources and processes for collecting and analyzing information on specific human rights risks, threats, or vulnerabilities facing communities. Relationships were established with various agencies within the Government of Colombia and procedures were defined.
- Establish procedures for communicating alerts with recommended actions to the Colombian Human Rights Ombudsman and to other state entities to elicit responses in order to preempt the potential human rights threat. The communications strategy was completed in early 2002, and the EWS web site was established in July 2002.
- Develop a regional focus and approach for the EWS by defining a regional strategy and by expanding EWS coverage to priority zones. The regional strategy was defined by November 2001. To implement the strategy, USAID and MSD decided to accelerate the deployment of regional coordinators. The original plan called for two regional centers to be established in 2002. Instead, the full deployment of 15 centers became the goal for the year. By June 30, 2002, there were seven regional coordinators functioning in place.
- Support the national strategy room through the purchase of video equipment and peripherals. In this area, USAID funded the installation of a video wall, sound system, projectors, and control equipment. The equipment can be used for presentations and enables real-time videoconferences.
- Develop support within the various state entities involved in the EWS to define policies and models for collecting and analyzing information in order to improve the credibility of EWS alerts. A committee of Colombian government agencies was formed to coordinate human rights issues.
- Establish mechanisms for follow-up and feedback on alerts issued through the EWS. A national system on prevention was created to involve high level government officials to make decisions regarding responses to alerts issued by the EWS.

The following activities related to preventing human rights abuses were not on schedule:

- Establish public communication and education related to the EWS to promote public participation in collecting information. Through public collaboration in the process, the ability to develop credible alerts should be improved. According to MSD, curriculum development and training for the beneficiary community has not started. These activities were put on standby until all the EWS regional coordinators could be selected, hired, and deployed to their regions. However, the EWS office launched a web site in July 2002 to promote public communication.

Protection of Human Rights Workers

The following activities related to human rights protection were on schedule:

- Determine which needs at the Ministry of Interior could be served by USAID's human rights program and prioritize those needs. Equipment, facilities, systems, and training needs were identified.
- Expand the Ministry of Interior's beneficiary population to include vulnerable groups that did not have access to the program. Eligibility under the program has been extended to municipal human rights workers and city officials.
- Provide financial assistance, airline tickets, and communications equipment to threatened individuals. USAID planned to provide 2,400 benefit awards by the end of 2002. As of June 30, 2002, the number of awards provided was 2,448.
- Provide armored and unarmored vehicles to threatened individuals and organizations and security upgrades for vulnerable offices. USAID planned to upgrade security at 24 offices by June 30, 2002 and to provide 33 vehicles during the year. By June 30, 2002, there were 30 upgraded offices and 17 vehicles delivered. Another 15 vehicles were scheduled for delivery in August.
- Assist human rights workers to develop a culture of preventive security through workshops, seminars, or conferences to discuss the basics of preventive security and include information on the protection program.
- Document and review the protection program's status with officials from the Human Rights Office in the Ministry of Interior. A regular monthly meeting with the Ministry has been scheduled and was being held.

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- Provide the protection office at the Ministry of Interior with office equipment and security upgrades to improve its management. This activity included remodeling the Ministry's offices with security equipment, providing office furniture, cubicles, and computers, and installing management control software for monitoring activities.

The following activities related to human rights protection were not on schedule:

- Secure additional funding sources for the Ministry of Interior's protection program. According to MSD, it has made efforts to secure additional funding but has been unsuccessful to date.
- Develop criteria and procedures for selecting protection program beneficiaries. Activities under this area had not started as of June 30, 2002.
- Design and implement a risk assessment system for identifying beneficiaries and undertaking programs to train staff members who are responsible for analyzing risks and providing protection. Activities under this area had not started as of June 30, 2002.

Response to Human Rights Violations

The following activities related to improving responses to human rights abuses were on schedule:

- Provide technical assistance to municipal human rights workers to ensure effective response to human rights needs in the community. As of June 30, 2002, work completed in this area identified obstacles and made recommendations to improve the effectiveness of municipal human rights workers.
- Provide community human rights education. A sub-contractor to MSD developed the curriculum and teaching materials that will be used. The materials cover fundamentals of human rights, including themes such as authority, responsibility, and justice.
- Create and/or strengthen human rights networks in vulnerable populations throughout the country. MSD's work plan outlined that MSD would design joint action plans with identified networks. As of June 30, 2002, MSD had funded over 20 human rights projects with a variety of implementing partners.
- Unify experiences and know-how among human rights offices within the Colombian Government. An interagency framework has been developed to provide the basis for collaboration.

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- Develop and implement a plan to strengthen training in human rights. Several universities have agreed to conduct research into human rights and create teaching programs. Additionally, several universities committed to send delegations to American University for training.
 - Develop an educational project with the national police. MSD's work plan outlined that a curriculum would be developed by June 30, 2002. By that date, a pilot course with a local police force had been designed.
 - Ratify the International Criminal Court Statute, which will provide Colombians with an international tool for protection to reduce impunity with respect to human rights violations. MSD's work plan detailed that work would be done by mid-2002 to explain the reasons for the bill. We did not test whether MSD completed these explanations, since the bill was passed before our field work was completed.
 - Strengthen the capacity of the Office of the Vice President to define public policy related to human rights. The Office of the Vice President developed a methodology for monitoring human rights cases. Also, two studies on human rights topics were completed.

The following activities related to improving responses to human rights abuses were not on schedule:

- Develop a national network of human rights promoters with the Ombudsman's Office. The planned public awareness campaign and alliance building with the mass media had not begun. Also, the planned training of 400 human rights leaders will be completed approximately six months behind schedule.
- Strengthen the Human Rights Office in the Ministry of Interior. This activity consists of providing seminars, workshops, and lectures on human rights subjects. Although a couple sessions have been held, a training schedule has not been developed to systematically guide efforts.
- Incorporate human rights education into the school system. Activities under this area had not started as of June 30, 2002.
- Formulate a National Action Plan on Human Rights. According to MSD, the necessary level of interest had not developed within the government of Colombia to pursue activities under this area.

Activities Behind Schedule or Not Started May Impact Results

As identified in the preceding sections, activities under eight areas were behind schedule or had not started as of June 30, 2002. The delays resulted from several causes. The following table lists those causes:

| Activity | Reason for delay |
|--|---|
| Public communication and education related to EWS | Activities preempted by focus to recruit and train additional EWS analysts |
| Secure additional funding sources for the Ministry of Interior's protection program | Insufficient resources applied to activity |
| Develop criteria and procedures for selecting protection program beneficiaries | Resources not applied to activity pending a non-USAID funded evaluation of the protection program |
| Design and implement risk assessment system and provide training related to the protection program | Resources not applied to activity pending a non-USAID funded evaluation of the protection program |
| Develop a national network of human rights promoters | Unrealistic work plan schedule |
| Strengthen the Human Rights Office in the Ministry of the Interior | Insufficient number of planned training activities |
| Incorporate human rights education into the school system | Resources not applied to the activity |
| Formulate a National Action Plan on Human Rights | Resources not applied to activity pending an administration change in the government of Colombia |

For the most part, the causes identified above reflect choices made by management in response to external and internal factors. We recognize that flexibility in executing work plans is necessary and that implementation strategies may change over time. However, the overall impact on the human rights program of the

activities that were behind schedule needs to be considered. Not completing activities as planned may diminish the effectiveness of the program.

Recommendation No. 1: We recommend that USAID/Colombia review the result areas where activities are behind schedule or have not been started. As part of the review, USAID/Colombia should: 1) collaborate with Management Sciences for Development to determine why activities are behind schedule or have not started; 2) determine how other activities in the work plan are impacted by the delayed activities; and 3) determine if planned program results can be achieved with the time and funding remaining under the contract.

Did USAID/Colombia implement a monitoring system for its human rights activities in accordance with USAID policies?

USAID/Colombia implemented a monitoring system for its human rights activities but did not document a contract monitoring plan nor define data quality assessment procedures as required by the Automated Directives System (ADS). Additionally, performance indicators used by the mission related to the early warning system (EWS) do not demonstrate the effectiveness of the EWS in preventing human rights abuses.

The mission's monitoring system included the following components:

- Reviewing and approving deliverables.
- Analyzing financial reports.
- Reporting variations, proposing substitutions, and resolving problems in the implementation of projects.
- Recommending modifications to ongoing activities.
- Approving invoices.
- Preparing an annual contractor performance report.
- Conducting site visits.

The mission did not document a contract monitoring plan nor define data quality assessment procedures. These relatively minor deficiencies are discussed below.

Monitoring Activities Were Not Documented

The mission did not document a contract monitoring plan as outlined by ADS 202.3.4.1 nor define data quality assessment procedures in its performance monitoring plan (PMP) as required by ADS 201.3.4.13. According to mission officials these plans and procedures were not documented because of a lack of familiarity with the ADS requirements.

We are not making a formal recommendation to document a contract monitoring plan because USAID/Colombia was executing monitoring steps that should be performed. However, data quality assessment procedures were not defined in the PMP and actions had not been taken to confirm data quality. As a result, unreliable information may be relied upon for decision making. We are making the following recommendation:

Recommendation No. 2: We recommend that USAID/Colombia document data quality assessment procedures for the human rights program in its performance monitoring plan.

Results Indicator Necessary

USAID/Colombia's performance monitoring plan (PMP) was one of the documents we reviewed to determine whether the mission implemented a monitoring system. As part of the analysis we noted that the indicators used for the early warning system (EWS) measured the system's outputs (or ability to issue warnings) but did not measure the effectiveness of the warnings in preventing human rights abuses.

USAID policy (ADS 203.3.6.3) allows strategic objective teams to operate with indicators that measure outputs during the first two years of implementation. Accordingly, results indicators should be developed by the objective's third year. The mission indicated that designing an indicator to measure the effectiveness of the EWS was complicated. Therefore, the mission relied on output indicators to demonstrate progress toward achieving results.

By not including the results indicator that will be used to measure the effectiveness of the EWS in the later years of the activity, USAID will not demonstrate whether the EWS is effective in meeting USAID's objective to prevent human rights abuses. Consequently, we are making the following recommendation:

Recommendation 3: We recommend that USAID/Colombia develop an indicator that demonstrates the effectiveness of the early warning system in preventing human rights abuses.

**Management
Comments and
Our Evaluation**

USAID/Colombia agreed with the recommendations in this report, and management decisions have been made for the recommendations. The Office of Management Planning and Innovation will determine final action after the recommendations have been implemented.

USAID/Colombia suggested a few factual corrections for the final report. We reviewed the suggestions and made changes where appropriate.

Management comments were included in their entirety in Appendix II.

**Scope and
Methodology****Scope**

We audited USAID-financed human rights activities in Colombia in accordance with generally accepted government auditing standards. On March 27, 2001, USAID/Colombia signed a five-year contract with Management Sciences for Development, Incorporated (MSD) to implement the activities under the human rights program. MSD is the sole implementer of the human rights program.

We conducted the audit at USAID/Colombia's and at MSD's offices. We conducted the audit from August 26, 2002 through September 13, 2002, and it covered the period from March 27, 2001 (the date the contract was signed) to June 30, 2002. The audit focused on how funds have been spent under the human rights program, if the mission's human rights activities were on schedule to achieve planned outputs, and whether the mission implemented a monitoring system for its human rights activities in accordance with USAID policies.

Methodology

To answer the audit objectives, we reviewed documentation at USAID/Colombia's and at MSD's offices. This documentation included Mission Accounting and Control System (MACS) reports, contractor expenditure information, MSD's 2002 work plan, documentation of activities achieved, and documentation supporting the mission's contract monitoring activities. In addition, we interviewed officials both at the mission and at MSD's offices.

We evaluated USAID/Colombia's management controls for monitoring program activities. In addition to the audit work performed under the third objective in this report, which relates to management's control activities, we interviewed management to identify and to judge the effectiveness of management controls.

To answer the first audit objective, we obtained MACS reports and MSD's itemized invoice as of June 30, 2002. We also discussed funding of the human rights program with USAID/Colombia's Controller.

Concerning the second audit objective, we selected 30 out of 34 activities from MSD's work plan that had timeline targets. The 30 were selected because we noted significant activities with substantial levels of progress expected by June 30, 2002.

Within each of those 30 activity areas, we judgmentally selected one or more sub-activities for testing. Testing consisted of determining if the activity was completed or on schedule as of June 30, 2002. We did not judge whether activities were appropriate for a human rights program.

Site visits were made to the National Security Room at the National Palace, to the Ministry of Interior, and to the offices of the early warning system (EWS). At the National Security Room, we verified the existence of equipment purchased with USAID funding. At the Ministry of Interior, we interviewed Ministry officials and toured remodeled office space. At the offices of the EWS, we judgmentally selected 25 out of 138 alerts issued as of June 30, 2002 to test alerts issued and examine response letters made by authorities. We used a judgmental sample because of the relatively small population and because we judged the risk of error to be low. Finally, we statistically sampled 109 out of 2,465 protection benefits provided as of June 30, 2002 to confirm that benefits were provided. We accomplished this by examining purchase invoices and copies of airline tickets provided to the beneficiaries. The sample was designed to provide a 95 percent confidence level with a precision of plus or minus 4 percent assuming a 5 percent error rate. We used a statistical sample in this case because the size of the population was relatively large.

To determine the significance of our findings for this objective, we judged that if 90 percent or more of the activities we reviewed were on schedule as of June 30, 2002, we would issue a positive opinion. We judged that if at least 70 percent of the activities were on schedule, we would issue a qualified opinion. And, if less than 70 percent of the activities were on schedule, then we would issue a negative opinion. This determination of significance reflected our judgments about the level of performance that was practical and achievable for the audited activities.

Generally, we considered that an activity was on schedule as of June 30, 2002 if it was completed within 2 months of the planned completion date. However, when activities selected for testing were not completed on time, we considered whether other compensating activities were completed.

As for the third audit objective, we interviewed USAID/Colombia's cognizant technical officer, reviewed the performance monitoring plan, and inspected various documentation such as reports, correspondence, e-mails, notes, graphs, tables, and charts.

To determine the significance of our findings for this objective, we judged that, at a minimum, the mission should have implemented the following:

- for the strategic objective (or intermediate result), the mission developed a performance monitoring plan (PMP) (ADS 201.3.4.13).
- the mission performed the activities required under a contract monitoring plan (ADS 202.3.4.1).

- the mission reviewed performance and financial reports from the implementers (ADS 202.3.4.1 and 22 CFR 226.51).
- the mission assessed the quality and timeliness of key outputs (ADS 202.3.4 and 22 CFR 226.51).

Our opinion would be positive if these minimum requirements were met. Our opinion would be qualified if the minimums were not met, but the deficiencies were judged to be minor in nature. Finally, our opinion would be negative if the deficiencies were judged to be major. We adapted the definitions of “material weakness” and of “reportable condition” in the General Accounting Office/President’s Council on Integrity and Efficiency Financial Audit Manual (Section 580.33) to guide our determination of major and minor deficiencies. As such, a major deficiency was judged to be one that did not reduce to a relatively low level the risk that monitoring objectives would be met. A minor deficiency was judged to be one that should be communicated because it could adversely affect the entity’s ability to meet monitoring objectives.

**Management
Comments**

MEMORANDUM

November 20, 2002

To: **Timothy E. Cox**, RIG/San Salvador.
From: **Kenneth Ellis**, Mission Director, USAID/Colombia
Subject: **Responses to the RIG/ San Salvador Audit**
Audit of USAID financed human rights activities in Colombia
Audit Report No. 1-514-03-XXX-P

USAID/Colombia appreciates the positive and constructive tone of the audit report and agrees with the conclusions contained therein. In addition we believe the three recommended actions in the report are appropriate and when implemented will improve management of the Democracy Program.

However, we believe the following changes should be made to the Final Report:

1. Prevention of Human Rights Abuses – Page 6 – bullet 4 change the number “eight coordinators” to “**seven regional** coordinators”.
2. Protection of Human Rights Workers – Page 7 – bullet 4 change the number “24 offices” to “**20** offices” and “30 upgraded offices” to “**35** upgraded offices”.
3. RIG considers as minor deficiency the nonexistence of a contract monitoring plan. According to the ADS/Washington team, it is not a requirement according to the ADS 202, which uses the word “should” and we consider this non-mandatory language.